



EXHIBIT E-1

FORM OF CERTIFICATE OF FORMATION OF DIRECTORCO

CONFIDENTIAL

**SUBJECT TO THE CONFIDENTIALITY AGREEMENTS
BETWEEN VIOLET AND THISTLE
DATED MARCH 11, 1998 AND JUNE 8, 1998**

**Exhibit E-1
to the Framework Agreement**

CERTIFICATE OF FORMATION

OF

DIRECTORCO L.L.C.

The undersigned, an authorized natural person, for the purpose of forming a limited liability company, under the provisions and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified, and referred to as the "**Delaware Limited Liability Company Act**"), hereby certifies that:

FIRST: The name of the limited liability company (hereinafter called the "**Limited Liability Company**") is **DirectorCo L.L.C.**

SECOND: The address of the registered office and the name and the address of the registered agent of the Limited Liability Company required to be maintained by Section 18-104 of the Delaware Limited Liability Company Act are _____, Delaware _____.

Executed on _____, _____.

Authorized Person



EXHIBIT E-2

FORM OF DIRECTORCO OPERATING AGREEMENT

CONFIDENTIAL

**SUBJECT TO THE CONFIDENTIALITY AGREEMENTS
BETWEEN VIOLET AND THISTLE
DATED MARCH 11, 1998 AND JUNE 8, 1998**

**Exhibit E-2
to the Framework Agreement**

OPERATING AGREEMENT

OF

DIRECTORCO L.L.C.

As of _____, 199__

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 THE COMPANY	2
1.1 Company Name	2
1.2 Registered Agent and Office	3
1.3 Principal Place of Business	3
1.4 Term	3
1.5 Filings	3
1.6 Purpose	3
1.7 Powers of the Company	4
1.8 Management	4
ARTICLE 2 BOARD OF THE COMPANY	5
2.1 The Company Board; Manager	5
2.2 Establishment of the Company Board	5
2.3 Chairman	8
2.4 Voting	8
ARTICLE 3 DECISION-MAKING AUTHORITY	9
3.1 Matters Requiring Unanimous Managing Member Approval	9
3.2 Company Board Decisions	10
3.3 Decisions Affecting the Technology Unit	11
3.4 Class C Representative Attendance at Meetings	12
3.5 Business Judgment	12
3.6 No Remuneration	12
ARTICLE 4 CAPITAL CONTRIBUTIONS; ALLOCATIONS	13
4.1 Capital Contributions	13
4.2 Additional Contributions	13
4.3 Capital Accounts	13
4.4 Allocation of Profits and Losses	13
4.5 Distributions	14
4.6 Limits on Distributions	14
4.7 Tax Matters	14
ARTICLE 5 RESTRICTIONS ON TRANSFERS OF INTERESTS	15
5.1 General Prohibition	15
5.2 Required Transfers	15
5.3 Permitted Transfers	16
5.4 Tax Consequences	17
ARTICLE 6 LIABILITY; INDEMNIFICATION	17
6.1 Liability of Managing Members and Manager	17
6.2 Indemnification	17

ARTICLE 7 DISSOLUTION 19

 7.1 Dissolution 19

 7.2 Waiver 19

ARTICLE 8 MISCELLANEOUS 20

 8.1 Further Assurances 20

 8.2 Notices 20

 8.3 Entire Agreement 21

 8.4 Waivers and Amendments; Preservation of Remedies 22

 8.5 Severability 22

 8.6 Governing Law 22

 8.7 Dispute Resolution; Submission to Jurisdiction 22

 8.8 Consent to Specific Performance 23

 8.9 Counterparts 23

 8.10 Third Party Beneficiaries 23

OPERATING AGREEMENT

OF

DIRECTORCO L.L.C.

(a Delaware limited liability company)

This Operating Agreement (this "Agreement") of [DirectorCo] L.L.C., a Delaware limited liability company (the "Company"), dated as of _____, 199__, is adopted and entered into between VLT Corporation, a corporation incorporated under the laws of the State of Delaware, United States of America ("VLT"), and BT (Netherlands) Holdings B.V., a *Besloten Vennootschap* organized under the laws of The Netherlands ("BT Holdings"), as the Managing Members of the Company (the "Managing Members"), pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.), as amended from time to time (the "Act"), and the terms of this Agreement, which shall be deemed to be the Company's limited liability company agreement under § 18-107(7) of the Act.

R E C I T A L S :

A. The Managing Members have formed a joint venture pursuant to a Framework Agreement, dated as of October __, 1998 (the "Framework Agreement"), among AT&T Corp., VLT, British Telecommunications plc, BT Holdings and Thistle B.V., a *Besloten Vennootschap* organized under the laws of The Netherlands ("Thistle BV"). Capitalized expressions and other defined terms used

but not defined herein shall have the respective meanings assigned to them in the Framework Agreement.

B. The joint venture will be implemented through Thistle BV and separate Subsidiaries of Thistle BV organized or incorporated in the United States, England and, if necessary or appropriate, elsewhere (the "Newco Subsidiaries").

C. The Managing Members have agreed, at all times, to nominate the Company for election to the Management Board of Thistle BV, as the sole director thereof.

D. The Managing Members have agreed to form the Company as a limited liability company pursuant to the Act.

E. On _____, 199__, the Managing Members caused to be filed a Certificate of Formation of the Company with the Secretary of State of the State of Delaware (the "Certificate").

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the adequacy and sufficiency of which are hereby acknowledged, the Managing Members hereby agree as follows:

ARTICLE 1

THE COMPANY

1.1 Company Name. The name of the Company is DirectorCo L.L.C., and all business of the Company shall be conducted under that name or under any other name, but in any case, only to the extent permitted by applicable law.

1.2 Registered Agent and Office. The Company shall maintain a registered office in the State of Delaware, which shall be the office of the Company's registered agent in Delaware. The name and address of the Company's registered agent in the State of Delaware is _____. Such registered agent and office may be changed from time to time by the Managing Members.

1.3 Principal Place of Business. The business address and office of the Company shall be _____, or at such other or additional place or places as the Managing Members determine from time to time.

1.4 Term. The term of the Company commenced on the date of the filing of the Certificate and shall continue until terminated or dissolved in accordance with the Act and this Agreement.

1.5 Filings. The Managing Members shall promptly cause the execution and delivery of such documents and performance of such acts consistent with the terms of this Agreement as may be necessary to comply with the requirements of law for the formation, qualification and operation of a limited liability company under the laws of each jurisdiction in which the Company shall conduct business and, if applicable, to operate under an assumed name as may be required by applicable law in effect in each such jurisdiction.

1.6 Purpose. The business of the Company shall be restricted to taking actions and making decisions in its capacity as the sole director of the Management Board of Thistle BV, undertaking such other activities as are required or appropriate to discharge its obligations as such sole director, and doing such

additional things and executing such agreements, documents and instruments as shall be necessary or appropriate to implement the actions and decisions so made and activities so undertaken.

1.7 Powers of the Company. Except as otherwise provided in this Agreement, the Act or any other applicable laws and regulations, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, convenient or incidental to or for the furtherance of the purposes set forth in Section 1.6.

1.8 Management. Management of the Company shall be vested in the Managing Members who shall manage the Company in accordance with the Act. The Managing Members shall be subject to all of the duties and liabilities of a manager provided in the Act. The Managing Members shall have the power and authority to take any and all actions necessary or convenient to or for the furtherance of the purposes of the Company set forth in this Agreement, including all powers of a manager under the Act pursuant to, and consistent with the terms of, the Framework Agreement and this Agreement.

ARTICLE 2

BOARD OF THE COMPANY

2.1 The Company Board: Manager.

(a) Except as provided herein, the business of the Company as set forth in Section 1.6 shall be undertaken by the management board of the Company (the "Company Board"), as set forth below.

(b) The then current CEO shall be the sole manager of the Company (the "Manager").

2.2 Establishment of the Company Board.

(a) Except as provided below in this Section 2.2(a) and in Section 2.2 (f), the Company Board shall consist of seven members (each a "Representative" and together, the "Representatives"), consisting of three Representatives appointed by VLT, three Representatives appointed by BT Holdings and the Manager. If a Managing Member becomes entitled to appoint an additional Representative to the Company Board pursuant to Section 13.2(a), 14.3(c)(iii), 16.4(c), 23.2(d) or 23.6(b) of the Framework Agreement, the number of Representatives constituting the Company Board shall be automatically increased to eight and, upon the termination of such right to appoint an additional Representative, the number of Representatives constituting the Company Board shall automatically be reduced to seven, comprised of the three Representatives appointed by VLT, the three Representatives appointed by BT Holdings and the Manager. The Representatives appointed by VLT are herein referred to as the "Class A Representatives," the Representatives appointed by BT Holdings are herein referred to as the "Class B

Representatives,” and the Manager from time to time shall be referred to as the “Class C Representative.”

(b) The Managing Members, as members of the Company, shall jointly appoint the Manager to the Company Board as the sole Class C Representative.

(c) Each Managing Member will appoint the chief executive officer of its parent to the Company Board as a Class A Representative or Class B Representative, as appropriate, for a period commencing on the Closing Date until and including the third anniversary of the Closing Date.

(d) A Managing Member may at any time remove any or all of its Representatives on the Company Board, with or without cause, by written notice to the other Managing Member and the Manager. Except as provided in the preceding sentence and in Section 2.2(f), no Representative appointed by a Manager Member may be removed from the Company Board. The Class C Representative shall be removed from the Company Board and as Manager if the CEO is replaced in accordance with the provisions of the Framework Agreement. Notwithstanding the foregoing, if the right to appoint an additional Representative to the Company Board under Section 13.2(a), 14.3(c)(iii) or 23.6(b) of the Framework Agreement terminates, the additional Representative who was appointed pursuant to the exercise of such right shall automatically and without further action on the part of the Managing Members be deemed to have resigned, and such person's status as a Representative shall terminate on the effective date of the termination of such right.

(e) Except as provided in Section 2.2(f), if any Representative resigns or is removed in accordance with Section 2.2(d), or a vacancy of a Representative should occur for any reason, in the case of a Class A Representative or a Class B Representative, the Managing Member that originally appointed such Representative shall, in such capacity, or the Company Board, appoint a successor or replacement Representative. In the case of the resignation or removal of the Class C Representative, before the transaction of any other business by the Managing Members, in such capacity, or the Company Board, the Managing Members shall jointly appoint the current CEO at the time as a successor or replacement or if there is no CEO, another mutually acceptable person shall be appointed by the Managing Members to serve as a successor or replacement Class C representative until there is a CEO. Such successor or replacement Representative shall be appointed on or as soon as possible after the date of such resignation or removal.

(f) If a Bankruptcy shall have occurred and be continuing with respect to a Bankrupt Parent as provided in Section 27.1(b) of the Framework Agreement, the Representatives of the Managing Member whose parent or Affiliate is the Bankrupt Parent (the "Affected Member") shall be deemed to have resigned upon the occurrence of the Bankruptcy and the other Managing Member (the "Non-Affected Member") shall forthwith have the right to appoint three replacement Representatives to fill the vacancies caused by such resignations to act as the applicable Class of Representatives. Such right shall be terminated if the Bankrupt Parent is no longer in Bankruptcy, other than by reason of its complete dissolution or

liquidation. In such case, the Representatives appointed by the Non-Affected Member shall automatically and without further action on the part of the Non-Affected Member be deemed to have resigned effective on the date of the cessation of the Bankruptcy, and the Affected Member shall forthwith recover its right to appoint its Class of Representatives.

2.3 Chairman. A chairman (the "Chairman") will be appointed by the Representatives from among themselves. The Chairman will preside over meetings of the Company Board and will set the meeting agendas. The Chairman will rotate every 18 months from a Representative of one Class to a Representative of the other Class (in each case excluding the Class C Representative).

2.4 Voting. Each Class A Representative and Class B Representative, including the Chairman, shall have a single vote. The Class C Representative shall only have the right to vote to break a tie as contemplated by Section 3.2(c). The Class C Representative shall have no other voting rights whatsoever and such Representative's vote or authority shall not be required for any Company Board action, except for a tie vote as is contemplated by Section 3.2(c). If this Agreement provides that a matter only requires the affirmative vote of a majority of the Class A Representatives or the Class B Representatives, if such vote is obtained, such matter may be approved by the Company Board notwithstanding that the matter has received the affirmative vote of less than a majority of the Representatives.

ARTICLE 3

DECISION-MAKING AUTHORITY

3.1 Matters Requiring Unanimous Managing Member Approval.

The following matters shall require the unanimous vote of both Managing Members, acting as the Managing Members:

- (a) a decision to modify or amend this Agreement or the Certificate;
- (b) a decision to modify, change or alter the nature or scope of the business of the Company;
- (c) a decision to admit, directly or indirectly, additional members to the Company;
- (d) the dissolution or liquidation of, or the filing of a petition under any Bankruptcy Law by the Company; provided, that, in the case of a dissolution of the Newco Group pursuant to Section 11.2(d), 11.5(c)(iii), 13.4, 13.5, 14.3, 23.2, 23.4, 23.5 or 23.7 of the Framework Agreement, following the delivery of a notice to elect to cause the dissolution of the Newco Group by a parent which is entitled to do so thereunder, the Managing Members shall, subject to any cure periods provided in the Framework Agreement, vote their membership interests in favor of the dissolution of the Company; and
- (e) any sale, lease, transfer or other disposition of all or substantially all of the assets of the Company or the merger, consolidation or sale of the Company, other than pursuant to Section 11.2(d), 11.5(c)(iii), 13.4, 13.5, 14.3, 23.2, 23.4, 23.5 or 23.7 of the Framework Agreement.

3.2 Company Board Decisions.

(a) Except to the extent authority is delegated to the Managing Members or their parents by the Framework Agreement, any other Transaction Agreement or this Agreement, the Company Board shall cause the Company to carry out the business specified in Section 1.6. For this purpose, the Company Board may form any committee of the Company Board and delegate decision-making authority of the Company Board thereto. Any decision to form any committee of the Company Board, or any variation to the terms, manner of appointment, operation or composition of any such committee (which shall in all cases be comprised of an equal number of members nominated by each Managing Member) shall require a majority vote of each of the Class A Representatives and the Class B Representatives (without any required vote of the Class C Representative).

(b) The matters set forth in Section 3.5 of the Framework Agreement shall require a majority vote of each of the Class A Representatives and the Class B Representatives (without any required vote of the Class C Representative).

(c) Except as set forth in Sections 3.5, 8.1, 8.2 and 8.4 and Article 4 of the Framework Agreement or as otherwise specified therein, all matters coming before the Management Board of Thistle BV shall require a simple majority vote of the Class A Representatives and the Class B Representatives without any required vote of the Class C Representative; provided, that, if an even number of votes is cast by the Class A Representatives and the Class B Representatives for and against any particular matter that is to be decided by a simple majority of the

Company Board, the Class C Representative may cast a vote on the matter to break a tie. Notwithstanding anything in this Agreement to the contrary, if, at any time, a Managing Member shall have the right to appoint an eighth Representative to the Company Board in accordance with the Framework Agreement, the Class C Representative shall not have the right to cast any vote on any matter to be decided by the Company Board unless and until the number of Representatives (assuming no vacancies) is reduced to seven, comprised of three Class A Representatives, three Class B Representatives and the Class C Representative.

(d) Decisions regarding the calling of a default under, or the granting by Thistle BV or any Newco Subsidiary of any waivers or consents under, any Transaction Agreement or with respect to any Affiliate Transaction, or any decision by Thistle BV to bring any claim for indemnification under Section 25.4(c), (d) or (e) or 25.5 of the Framework Agreement against a parent, may be made by the Company Board but shall not require the consent of the Class C Representative or the Class of Representatives appointed by the Managing Member that is the Affiliate of AT&T or BT, as the case may be, who is or is affiliated with the Person in default, or seeking the waiver or consent under, the applicable Transaction Agreement or with respect to an Affiliate Transaction or against whom the claim for indemnification is made. Any such decision may be made and effected by the vote of a majority of the Class of Representatives appointed by the other Managing Member.

3.3 Decisions Affecting the Technology Unit. Any decisions of the Company Board relating solely to the Technology Unit, including the approval of the

annual business plan of the Technology Unit, shall not be subject to the tie-break vote of the Class C Representative set forth in Section 3.2(c).

3.4 Class C Representative Attendance at Meetings. The Class C Representative shall be entitled to attend all meetings of the Company Board, other than (a) those meetings of the Company Board or portions thereof involving discussion of his or her own performance or compensation or (b) other meetings of the Company Board or portions thereof which do not involve matters on which the Class C Representative is entitled to vote under Section 3.2(c) and for which a majority of either the Class A Representatives or the Class B Representatives determines that the Class C Representative should be absent.

3.5 Business Judgment. The Managing Members acknowledge and confirm that the Representatives will exercise business judgment taking into account the interests of the Newco Group as a whole and that, in furtherance of such objective, the Representatives shall be protected in making decisions and shall be entitled, to the fullest extent permitted by Applicable Law, to indemnification by all of the Company, Thistle BV and the Newco Group for any act or omission if the Representatives acted in good faith and in a manner the Representatives reasonably believed was in, or not opposed to, the best interests of the Newco Group as a whole.

3.6 No Remuneration. Unless the Managing Members, acting in their capacity as the members of the Company, agree, no person shall be entitled to any fee, remuneration or compensation in connection with his or her service as a Representative, except that the Company shall reimburse the Representatives for

travel and other expenses incurred in connection with their attendance at Company Board meetings.

ARTICLE 4

CAPITAL CONTRIBUTIONS; ALLOCATIONS

4.1 Capital Contributions. The Managing Members hereby agree to contribute to the Company the following amounts in cash, and no other property:

<u>Managing Members</u>	<u>Amount of Capital Contribution</u>
VLT	[\$ _____]
BT Holdings	[\$ _____]

4.2 Additional Contributions. No Managing Member shall be required to make any additional capital contributions to the Company.

4.3 Capital Accounts. A capital account shall be maintained for each Managing Member in accordance with the capital account maintenance rules of the Internal Revenue Service Regulation § 1.704-1(b)(2)(iv) and as provided herein. Such capital account shall be credited with contributions and profits, charged with distributions and losses and otherwise adjusted as set forth herein and as the Managing Members agree.

4.4 Allocation of Profits and Losses. Unless the Managing Members agree otherwise in writing, the Company's profits and losses shall be allocated as follows:

<u>Managing Members</u>	<u>Allocation</u>
VLT	50%
BT Holdings	50%

4.5 Distributions. Distributions shall be made to the Managing Members at the times and in the aggregate amounts determined by the Managing Members. Such distributions shall be allocated among the Managing Members in the same proportion as their then capital account balances.

4.6 Limits on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Managing Member if such distribution would violate Section 18-607 of the Act or other Applicable Law.

4.7 Tax Matters. The Managing Members of the Company and the Company intend that the Company be treated as a partnership for all income tax purposes and will file such necessary and appropriate forms in furtherance thereof. VLT will be the "tax matters partner" (as such term is defined in Section 6231(a)(7) of the Code). The tax matters partner shall conduct its duties as tax matters partner of the Company in accordance with the procedures set forth in Article IV of Annex 3 to the Framework Agreement.

ARTICLE 5

RESTRICTIONS ON TRANSFERS OF INTERESTS

5.1 General Prohibition.

(a) During the term of the Company, except as provided in Sections 12.2, 12.3, 23.3 and 23.4 of the Framework Agreement and Sections 5.2 and 5.3 of this Agreement, neither Managing Member shall directly or indirectly sell, transfer, assign, charge, mortgage, hypothecate, pledge, encumber, grant a security interest in, grant any right or option or create any convertible, exchangeable or derivative security with respect to, or otherwise dispose of (whether by operation of law or otherwise) (each, a "Transfer"), any of its membership interests in the Company or any rights or interests therein or thereto or in the proceeds thereof; provided, however, that notwithstanding the foregoing, the provisions of this Section 5.1 shall not prohibit any merger, consolidation or other business combination or Change of Control involving, or sale or other Transfer of, any of the Voting Securities of a parent.

(b) Any attempt to Transfer any membership interests in the Company, or any rights or interests therein or thereto or in the proceeds thereof, in violation of this Article 5 shall be null and void *ab initio*, and the Company shall not register or recognize any such Transfer.

5.2 Required Transfers. If (a) pursuant to Section 12.3 of the Framework Agreement, a Managing Member Transfers any or all of its shares in Thistle BV or BT Transfers any or all of its shares in BT Holdings, or (b) pursuant to Section 23.3 or 23.4 of the Framework Agreement, a Managing Member Transfers its

shares in Thistle BV and shares or other equity interests in the Newco Services Company and the Newco Subsidiaries to the other Managing Member or its parent:

- (a) all of the transferring Managing Member's membership interests in the Company shall also be Transferred to the other Managing Member;
- (b) the transferring Managing Member shall cause its Representatives on the Company Board to resign with effect as of the closing of the sale and purchase of its membership interests in the Company and the other Managing Member shall thereafter be entitled to appoint successor Representatives and shall otherwise have all the rights and powers of the other Managing Member; and
- (c) this Agreement and the Certificate shall be appropriately amended to reflect the foregoing.

5.3 Permitted Transfers. Subject to Section 5.4, either Managing Member may, with the prior written consent of the other Managing Member, which consent shall not be unreasonably withheld or delayed, Transfer its membership interests in the Company to a direct or indirect wholly-owned Subsidiary of such Managing Member or such Managing Member's parent; provided, that, (i) the transferring Managing Member confirms in writing that it remains obligated to perform the obligations contemplated to be performed by it pursuant to this Agreement and the other Transaction Agreements; (ii) such transferee shall have agreed in writing to be bound by the terms and conditions of this Agreement and, to the extent applicable, the other Transaction Agreements; (iii) the Transfer complies in all respects with the provisions of this Agreement and any applicable provisions of the other Transaction Agreements, if any; and (iv) the transferee shall have agreed in

writing to re-Transfer such membership interests in the Company to the transferring Managing Member if it no longer qualifies as a wholly-owned Subsidiary of the transferring Managing Member or such Managing Member's parent.

5.4 Tax Consequences. Notwithstanding Section 5.3, no Transfer of any membership interests in the Company or any rights or interests therein or thereto or in the proceeds thereof shall be made or recognized if it would result in more than *de minimis* adverse Tax consequences to either Managing Member.

ARTICLE 6

LIABILITY; INDEMNIFICATION

6.1 Liability of Managing Members and Manager. A Managing Member or the Manager exercising management powers or responsibilities for or on behalf of the Company shall not have personal liability to the Company or its Managing Members for damages for any breach of duty in such capacity, provided that nothing in this Section 6.1 shall eliminate or limit the liability of any such Managing Member or Manager if a judgment or other final adjudication adverse to such Managing Member or Manager establishes that such Managing Member's or Manager's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or that such Managing Member or Manager personally gained through such act or omission a financial profit or other advantage to which such Managing Member or Manager was not legally entitled.

6.2 Indemnification. To the fullest extent permitted by law, the Company shall indemnify, hold harmless, protect and defend each of the Managing

Members and the Class A and Class B Representatives and may indemnify, hold harmless, protect and defend the Manager and each of the officers, employees and agents, if any, of the Company (collectively, the “Indemnitees”), against any losses, claims, damages or liabilities, including, without limitation, legal or other expenses incurred in investigating or defending against any such loss, claim, damages or liability, and any amounts expended in settlement of any claim (collectively, “Liabilities”), to which any Indemnitee may become subject by reason of any act or omission (even if negligent or grossly negligent) performed or omitted to be performed on behalf of the Company or by reason of the fact that such Indemnitee was a Managing Member, Representative, Manager, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, trustee, manager, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise. Notwithstanding the foregoing, no indemnification may be made to or on behalf of any Indemnitee if a judgment or other final adjudication adverse to such Indemnitee establishes (a) that its, his or her acts were committed in bad faith or involved intentional misconduct or a knowing violation of law or (b) that it, he or she personally gained through such an act or omission a financial profit or other advantage to which it, he or she was not legally entitled. The provisions of this Section shall continue to afford protection to each Indemnitee regardless of whether such Indemnitee remains a Managing Member, Representative, Manager, officer, employee or agent, if applicable, of the Company. Any indemnity under this Section 6.2 or otherwise should be paid out from and to the extent of the Company’s assets only. The Company shall advance legal fees and

expenses to any Indemnatee in connection with the defense of Liabilities, subject to an undertaking that such Indemnatee will reimburse the amounts so advanced if it is determined pursuant to the foregoing that the Indemnatee is not entitled to indemnification hereunder.

ARTICLE 7

DISSOLUTION

7.1 Dissolution. The Company shall dissolve, and its affairs shall be wound up, upon the first to occur of the following:

- (a) the end of the term of the Company as provided in Section 1.4;
- (b) the completion of the dissolution of the Newco Group pursuant to the Framework Agreement;
- (c) the agreement of the Managing Members to dissolve the Company; or
- (d) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

7.2 Waiver. Each Managing Member waives any and all rights it may have to withdraw from the Company or to cause a voluntary dissolution of the Company, except as specifically provided in this Agreement.

ARTICLE 8

MISCELLANEOUS

8.1 Further Assurances. Each party shall execute, or cause to be executed, such documents and other instruments, and take or cause to be taken such further actions as may be reasonably necessary to carry out the provisions of this Agreement and the transactions contemplated hereby.

8.2 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, sent by facsimile transmission (with confirmation of receipt) or sent by internationally recognized courier service, postage prepaid. Any such notice shall be deemed given when so delivered personally or, if sent by facsimile, at the time of receipt of a legible copy thereof or, if sent by internationally recognized courier service, three days after the date of deposit with the courier service, postage prepaid, and shall be sent as follows:

- (i) if to VLT, to:

VLT Corporation
c/o AT&T Corp.
295 North Maple Drive
Basking Ridge, NJ 07920
United States of America
Attention: Walter G. DeSocio, Esq.
Facsimile No.: 011-44-171-925-8232

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
United States of America
Attention: Richard D. Katcher, Esq.
Stephanie J. Seligman, Esq.
Facsimile No.: 212-403-2000

(ii) if to BT Holding, to:

BT (Netherlands) Holdings B.V.
c/o British Telecommunications plc
London EC1A 7AJ
England
Attention: Jack Greenberg, Esq.
Facsimile No.: 011-44-171-356-5608

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064
United States of America
Attention: Toby S. Myerson, Esq.
Facsimile No.: 212-757-3990

and:

Bird & Bird
90 Fetter Lane
London EC4A1JP
England
Attention: David Kerr, Esq.
Facsimile No.: 011-44-171-415-6111

Either party may by notice given in accordance with this Section 8.2 to the other party designate another address, facsimile number or Person for receipt of notices hereunder.

8.3 Entire Agreement. This Agreement, together with the other Transaction Agreements, contain the entire agreement between the parties with respect to the transactions contemplated hereby and supersede the Term Sheet and all prior term sheets, discussions, negotiations and agreements, written or oral, with respect thereto (other than the Confidentiality Agreements).

8.4 Waivers and Amendments; Preservation of Remedies. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege.

8.5 Severability. In case any provision of this Agreement shall be held invalid, illegal or unenforceable in a jurisdiction, such provision shall be modified or deleted, as to the jurisdiction involved, only to the extent necessary to render the same valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby nor shall the validity, legality or enforceability of such provision be affected thereby in any other jurisdiction.

8.6 Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the [State of Delaware] applicable to contracts made and to be performed entirely within such State.

8.7 Dispute Resolution; Submission to Jurisdiction. The provisions of Sections 24.3, 24.4, 24.5, 24.6 and 24.8 of the Framework Agreement shall be incorporated herein by reference and shall have full force and effect as if set forth herein in full.

8.8 Consent to Specific Performance. The parties hereto declare that it is impossible to measure in money the damages that would be suffered by a party by reason of the failure by the other party to perform any of its obligations hereunder. Therefore, if either party shall institute any action or proceeding to enforce the provisions hereof, the party against whom such action or proceeding is brought hereby waives any claim or defense therein that the other party has an adequate remedy at law.

8.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument. Signatures delivered by telecopy shall have the same effect as the manual original signatures.

8.10 Third Party Beneficiaries. The Indemnitees shall be deemed to be third party beneficiaries of the provisions of Section 6.2.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties set forth below as of the date first written above.

VLT CORPORATION

By _____
Name:
Title:

BT (NETHERLANDS) HOLDINGS B.V.

By _____
Name:
Title:



EXHIBIT F-1

FORM OF AT&T DISTRIBUTION AGREEMENT

Final version

Date: _____

(1) THISTLE B.V.

(2) AT&T CORP.

DISTRIBUTION AGREEMENT

INDEX

RECITALS

OPERATIVE PROVISIONS

PART I: PRELIMINARY MATTERS

1. Interpretation

PART II: DISTRIBUTORSHIP

2. Appointment as Distributor

PART III: SERVICES

3. Provision of Services
4. New Global Communications Services and Changes to existing Global Communications Services

PART IV: MARKETING AND SUPPORT

5. Obligations of the Distributor
6. Obligations of Thistle BV
7. Branding

PART V: TECHNICAL AND OPERATIONAL MATTERS

8. The Global Platform
9. Connection of Equipment and Systems
10. Equipment
11. Access to Sites
12. Regulatory Approvals

PART VI: FINANCIAL MATTERS

- 13. Charges
- 14. Billing and Payment

PART VII: FURTHER PROVISIONS

- 15. Liability of Parties
- 16. Confidentiality and Data Protection
- 17. Term
- 18. Termination
- 19. Consequences of Termination
- 20. Force Majeure
- 21. Choice of Law and Jurisdiction
- 22. Relationship between Thistle BV and Distributor
- 23. Intellectual Property Rights and Indemnity
- 24. Invalidity
- 25. Assignment
- 26. Notices
- 27. General

LIST OF SCHEDULES

- 1. Communications Services launch and withdrawal
- 2. List of Existing Global Communications Services
- 3. Service Request Procedure
- 4. Forecasting Procedure
- 5. Terms and Conditions of Service
- 6. Customer Support Services
- 7. Thistle BV Technical and Commercial Support
- 8. Charges
- 9. Quotation and Variation of Charges
- 10. Billing
- 11. Minimum Revenue Commitment
- 12. Training

THIS AGREEMENT BETWEEN:

- (1) THISTLE B.V., an entity organized under the laws of the _____, having an office at _____ ("Thistle BV"); and
- (2) AT&T CORP. ("AT&T" or "Distributor"), having a principal office at 295 North Maple Avenue Basking Ridge New Jersey 07920.

RECITALS

Thistle BV, a joint venture formed by AT&T Corp. and British Telecommunications plc, and AT&T desire AT&T to distribute Thistle BV's Global Communications Services to certain business customers, other than the Qualifying MNC Customers supported directly by Thistle BV and/or its Subsidiaries, pursuant to the terms of this Agreement and the Framework Agreement entered among AT&T, VLT Corporation, British Telecommunications plc, BT (Netherlands) Holdings B.V. and Thistle BV simultaneously herewith ("Framework Agreement").

OPERATIVE PROVISIONS

PART I: PRELIMINARY MATTERS

1 Interpretation

1.1 Definitions:

All terms defined in the Framework Agreement shall have the same meaning in this Agreement, unless otherwise modified by a definition set forth in this section and in this Agreement.

"Charge" means any charge payable by the Distributor to Thistle BV in consideration of the provision of the Global Communications Services.

"Customer" means an existing or potential business customer (including its employees in their capacity as employees) that purchases Global Communications Services from Distributor, but excluding Qualifying MNC Customers that agree to purchase Global Communications Services directly from Thistle BV or one or more Thistle BV Subsidiaries.

"Distributor's Network" means those Telecommunications Systems owned, operated or contracted for by the Distributor by means of which Messages are passed between any Global Point of Presence and any Site located in the Territory.

"Equipment" means any telecommunication apparatus installed or otherwise made available at a Site in order to provide Global Communications Services to a Customer.

"Forecast" means the non-binding projections of Global Communications Services requirements provided by the Distributor to Thistle BV in accordance with Clause 3.2 of this Agreement.

"Global Platform" means those transmission, switching, signalling, network intelligence and/or service management systems which from time-to-time are owned, leased, managed or contracted for by Thistle BV, excluding any Remote Network, in order to provide the Global Communications Services.

"Global Point of Presence" means a point on the Global Platform at which Messages pass between the Global Platform and either the Distributor's Network or a Remote Network.

'Intellectual Property' means any patent, copyright, registered design, trade mark or other industrial or intellectual property right subsisting in the Territory in respect of the Global Communications Services, and applications for any of the foregoing.

'Invoice Value' means the sums invoiced by Thistle BV to the Distributor in respect of any Global Communications Services, less any value added tax (or other taxes, duties or levies)

"Message" means the subject matter of the transmission or conveyance falling within subparagraphs (a) to (d) in the definition of "Telecommunication System" in this Clause 1.1.

"Thistle BV Trade Marks" means such registered or unregistered Thistle BV Trade Marks or service marks (if any) as Thistle BV may own or have the right to use in relation to any or all Global Communications Services.

"Party" means a party to this Agreement.

"Remote Network" means those Telecommunication Systems owned and/or operated by a third party by means of which Messages are passed between any Global Point of Presence and any Site located outside the Territory.

"Service Description" means the description of the Global Communications Services, including the applicable service levels, that are provided to Distributor pursuant to this Agreement

"Service Request Procedure" means the procedure for ordering Global Communications Services set out in Schedule 3.

"Site" means any premises located outside the Territory to which any Global Communications Services are provided for a Customer

"Telecommunication System" means a system for the conveyance, through the agency of electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy, of:

(a) speech, music and other sounds;

(b) visual images;

(c) signals serving for the importation (whether as between persons and persons, things and things or persons and things) of any matter otherwise than in the form of sounds or visual images; or

(d) signals serving for the actuation or control of machinery or apparatus.

"Technical Intellectual Property Rights" mean patents, utility models, design patents, registered designs, copyright of any kind, semi-conductor topography

rights, design rights and any rights of a similar nature in any country of the world including rights in trade secrets and confidential information where such rights arise and includes applications therefor, but excludes Thistle BV Trade Marks

"Territory" means the United States and its trusts, territories and possessions contained in Schedule 1.1C of the Framework Agreement.

"Year" means any complete period of twelve months commencing on the Effective Date of this Agreement and on each anniversary thereof.

- 1.2 The expressions "Thistle BV" and "Distributor" shall include their respective successors and permitted assigns.
- 1.3 Except as expressly provided herein, any reference to any legislative act shall be deemed to include any amendment, replacement or re-enactment thereof for the time being in force and to include any delegated legislation, orders, notices, directions, consents or permissions made thereunder and any condition attaching thereto.
- 1.4 In this Agreement words importing the singular include the plural and vice versa and words importing gender include any other gender.
- 1.5 The headings in this Agreement are for ease of reference only and shall not be taken into account in the construction or interpretation of any provision to which they refer.
- 1.6 References in this Agreement to Clauses or Schedules are references to clauses of or schedules to this Agreement. The Schedules are an integral part of this Agreement.
- 1.7 Any undertaking in this Agreement not to do any act or thing shall be deemed to include an undertaking not to permit or suffer to the doing of that act or thing.
- 1.8 The expression "person" used in this Agreement shall include (without limitation) any individual, partnership, body corporate or unincorporated association.
- 1.9 References in this Agreement to a Party being obliged to procure that another person shall do something or shall not do something shall be

deemed to require that Party to exercise all voting rights and other powers of control available to that Party in relation to that person so as to procure, insofar as that Party is able by the exercise of such rights and powers, that that person does or does not do such thing, as appropriate.

- 1.10 In accordance with Article 20.1. of the Framework Agreement, this Agreement shall become effective upon the Closing ("Effective Date").
- 1.11 Either party will be permitted to withdraw from or not to consummate this Agreement by providing written notice thereof to the other party if a regulatory authority of competent jurisdiction raises objections of a competition or regulatory nature to this Agreement and/or its terms which the parties, having used their reasonable endeavours, are unable to resolve. The parties shall be deemed not to have been able to resolve such objections if either or both of them are unable to find solutions satisfactory to such authorities, which do not undermine their fundamental rationale for entering into this Agreement.

PART II: DISTRIBUTORSHIP

2 Appointment as Distributor

- 2.1 Thistle BV appoints the Distributor as its exclusive distributor for the marketing, promotion, sale and distribution of Global Communications Services to Customers in the Territory except for those customers being served directly by the International Carrier Services Unit as outlined in the Framework Agreement. The parties acknowledge that from the Closing until 15th September 2000:
 - a) MCI may continue to serve as a distributor of Global Communications Services, branded as "Concert Services", in the Territory, and
 - b) for three years thereafter MCI customers of "Concert Services" shall have the right to be supported;subject to the terms and conditions of the Distribution Agreement dated 14th June 1994, between Concert Communications Company and MCI, and in accordance with the terms and conditions of the Unwind Agreement concluded between British Telecommunications plc, Concert Communications Company and MCI dated 7th August 1998. For the avoidance of doubt, the Distributor shall be free to respond to unsolicited

requests for Global Communications Services from Customers outside the Territory. Except as authorised in this Agreement the Distributor shall not market the services outside the Territory.

- 2.2 Notwithstanding the provisions of clause 2.1 the Distributor shall not sell Global Communications Services to Qualifying MNC Customers, except where otherwise provided in the Framework Agreement, or the MNC Distribution Agreement of today's date, or as provided by law of competent jurisdiction.

PART III: SERVICES

3 Provision of Services

- 3.1 For the purposes of this Clause 3:

3.1.1 "non-standard Global Communications Services" means a service which comes within the definition of a Global Communications Services but which at the time of the request is not included in the current range of Global Communications Services; and

3.1.2 "Additional Request" means a request by the Distributor for Global Communications Services where the effect of such request, taken together with all current commitments of Thistle BV to provide Global Communications Services to the Distributor would be to exceed the aggregate requirements for Global Communications Services for the relevant period as stated in the Forecast.

- 3.2 Within ninety days of the Effective Date of this Agreement, the Distributor shall provide an initial Forecast in accordance with the provisions of Schedule 4 of the aggregate requirements for each of the Global Communications Services. The procedure for making and revising such a forecast and for subsequent Years is contained in Schedule 4.

- 3.3 Thistle BV shall provide Global Communications Services to the Distributor upon request except in the case of (a) an Additional Request or (b) where the Service requested includes a non-standard Global Communications Services in which event Thistle BV shall use reasonable

endeavours to offer terms on which it is prepared to provide such services but shall not be under any liability for failure to do so to the Distributor.

- 3.4 The Distributor shall order Global Communications Services in accordance with the Service Request Procedure described in Schedule 3.
- 3.5 Where Thistle BV supplies any Global Communications Services pursuant to this Clause 3 it shall do so in accordance with the applicable Service Description or, in the case of a non-standard Global Communications Services, in accordance with a mutually agreed Service Description.
- 3.6 The terms and conditions pursuant to which Thistle BV provides the Global Communications Services to the Distributor are set out in Schedule 5. The procedures under which Global Communications Services including non-standard Global Communications Services are supplied shall be subject to mutual agreement in accordance with the Service Request Procedure set out in Schedule 3.
- 3.7 Thistle BV shall provide customer support services to the Distributor to the extent set out in any applicable Service Description and as set out in Schedule 6.
- 3.8 The Distributor shall be responsible for providing the necessary use of the Distributor's Network, customer service and related services and facilities, where the Distributor uses such network, customer service and related services and facilities to provide the Global Communications Services. Thistle BV and the Distributor shall co-operate as may be reasonably necessary to co-ordinate the operational matters affecting the interworking between the Distributor's Network and the Global Platform in respect of the supply of Global Communications Services. In relation to any Service, Thistle BV shall be excused from any failure to comply with the applicable service levels to the extent such failure is caused by the Distributor's Network.
- 3.9 In relation to any particular Customer or Customers:
- 3.9.1 either Party may request the other Party to act as agent of the first Party, on terms to be agreed, in discharging its obligations under

this Clause 3 where this is necessary for regulatory or other compelling reasons (including without limitation economic reasons);

3.9.2 either Party may by mutual agreement act as subcontractor to the other in performing the obligations of the other under this Clause 3. on terms to be agreed.

4 New Global Communications Services and Changes to existing Global Communications Services

4.1 From time-to-time (at least bi-annually), the Parties will meet to discuss potential changes (e.g., additions, modifications, discontinuances) to the Global Communications Services, new technology, Customer service requirements, Charges, Customer support services and the responsibilities of the Parties hereunder.

Thistle BV may upon notice add to, substitute or reduce the current range of Global Communications Services or vary the Service Description and terms and conditions applicable to any of the current range of Global Communications Services in accordance with the procedure set out in Schedule 1, Provided That any such substitution, reduction or variation shall not apply for a period of three months, from notification, subject to Applicable Law, if in the reasonable opinion of Thistle BV, it would affect adversely the functionality or performance specifications of:

4.1.1 any Service being provided to the Distributor to the extent that the Distributor is under an obligation to any Customer to provide such Service; or

4.1.2 any Service already requested by the Distributor under the Service Request Procedure set out in Schedule 3, to the extent that the Distributor may be or become obligated to any Customer to provide such Service; or

4.1.3 any Service in respect of which Thistle BV has given a quotation to the Distributor under the Service Request Procedure, for the validity period of such quotation as specified in the relevant Service Description or as detailed in Schedule 9 and to the extent

that the Distributor may be or become obligated to any Customer to provide such quoted Service.

- 4.2 While Thistle BV shall have the ultimate discretion to implement changes to the Service Descriptions of Global Communications Services as described above, it shall
- a) take due consideration of the impacts of such changes on the Distributor's Customers, and
 - b) shall give as much advance notice as reasonably practical, where such changes may be expected to have an adverse effect on the Distributor's Customers, and
 - c) shall involve the Technology Unit in as much as the terms of the Framework Agreement require such involvement.

PART IV: MARKETING, SUPPORT AND PURCHASE OBLIGATIONS

5 Obligations of the Distributor

- 5.1 The Distributor shall:
- a) use all reasonable endeavours to sell Global Communications Services in the Territory including without limitation maintaining adequate sales and distribution personnel and appropriate facilities; and
 - b) spend such sums on advertising and promoting the Global Communications Services in the Territory during each Year of this Agreement, as are reasonably necessary for the Distributor to carry out its obligations under this Agreement.
- 5.2 The Distributor shall comply with the Minimum Revenue Commitment as set out in Schedule 11.
- 5.3 Except as provided in the Framework Agreement, the Distributor will and will cause its wholly-owned Subsidiaries and, subject to the Fiduciary Duty Standard, its other Subsidiaries to, purchase all their requirements for Global Communications Services and customer support services as detailed in Schedule 6, from Thistle BV.

- 5.4 The Distributor shall attend periodical marketing meetings to consider market trends, Global Communications Services development, quality of service, Customer satisfaction, pricing and other matters agreed upon by the parties.

6 Obligations of Thistle BV

- 6.1 Thistle BV shall provide reasonable technical and commercial support to the Distributor in sales and marketing activities, as follows:

6.1.1 advising on the most suitable means, technical and commercial, of meeting the requirements of a potential Customer;

6.1.2 supporting account management; and

6.1.3 assisting and participating in the preparation and presentation of proposals to potential Customers, consistent with product management support.

as set out and subject to the terms of Schedule 7.

- 6.2 Thistle BV shall attend periodical marketing meetings to consider market trends, Global Communications Services development, quality of service, Customer satisfaction and other matters agreed upon by the parties.

- 6.3 Thistle BV shall provide the training services referred to in Schedule 12.

- 6.4 Thistle BV shall provide all other services as specified in schedules to this Agreement.

- 6.5 For Customer requirements for domestic, national services in 2 or more continents and 4 or more countries, such Customers will be considered for Qualifying MNC Customer status in accordance with the process defined in the Framework Agreement.

For Customers who:

- a) are not admitted to Qualifying MNC Customer status as above; or
- b) require domestic, national services in less than 2 continents and less than 4 countries,

Thistle BV shall endeavor to provide domestic, national services in conjunction with Global Communication Services. The terms, conditions and pricing for the domestic, national services shall be agreed upon on an individual case by case basis.

7 Branding

- 7.1** Thistle BV hereby authorises the Distributor to use the Thistle BV Trade Marks on or in relation to the Global Communications Services for the purposes only of exercising its rights and performing its obligations under this Agreement.
- 7.2** The Distributor shall ensure that each reference to and use of any of the Thistle BV Trade Marks by the Distributor is in a manner from time to time approved by Thistle BV and accompanied by an acknowledgement, in a form approved by Thistle BV, that the same is a trade mark (or registered trade mark) of Thistle BV.
- 7.3** The Distributor shall not:
- a) make any modifications to the Global Communications Services;
 - b) alter, remove or tamper with any Thistle BV Trade Marks, numbers, or other means of identification used on or in relation to the Global Communications Services;
 - c) use any of the Thistle BV Trade Marks in any way which might prejudice their distinctiveness or validity or the goodwill of Thistle BV therein;
 - d) use in relation to the Global Communications Services any Thistle BV Trade Marks, other than the Thistle BV Trade Marks and AT&T Trade Marks, without obtaining the prior written consent of Thistle BV; or
 - e) use in the Territory any Thistle BV Trade Marks or trade names so resembling any trade mark or trade names of Thistle BV as to be likely to cause confusion or deception.
- 7.4** Except as provided in clause 7.1 the Framework Agreement and the related IPR Agreement, the Distributor shall have no rights in respect of any trade names or Thistle BV Trade Marks used by Thistle BV.

- 7.5 The Distributor shall, at the expense of Thistle BV, take all such steps as Thistle BV may reasonably require to assist Thistle BV in maintaining the validity and enforceability of the Intellectual Property of Thistle BV during the term of this Agreement.
- 7.6 The Distributor shall at the request of Thistle BV execute such registered user agreements or licences in respect of the use of the Thistle BV Trade Marks in the Territory as Thistle BV may reasonably require, provided that the provisions thereof shall not be more onerous or restrictive than the provisions of this Agreement.
- 7.7 Without prejudice to the right of the Distributor or any third party to challenge the validity of any Intellectual Property of Thistle BV, the Distributor shall not do or authorise any third party to do any act which would or might invalidate or be inconsistent with any Intellectual Property of Thistle BV and shall not omit or authorise any third party to omit to do any act which, by its omission, would have that effect or character.
- 7.8 The Distributor shall promptly and fully notify Thistle BV of any actual, threatened or suspected infringement in the Territory of any Intellectual Property of Thistle BV which comes to the Distributor's notice, and of any claim by any third party so coming to its notice that the importation of the Global Communications Services into the Territory, or their sale therein, infringes any rights of any other person, and the Distributor shall at the request and expense of Thistle BV do all such things as may be reasonably required to assist Thistle BV and Thistle BV in taking or resisting any proceedings in relation to any such infringement or claim.

PART V. TECHNICAL AND OPERATIONAL MATTERS

8 The Global Platform

- 8.1 The architecture, design and continuing development of the Global Platform including without limitation the location and number of Global Points of Presence shall be in the discretion of Thistle BV. Distributor shall be informed in advance concerning the location of new proposed Global Points of Presence in the Territory, so as to maximize connectivity to Distributor's Network. Without prejudice to the foregoing, Thistle BV will endeavor, in the exercise of its discretion, to ensure that Distributor shall

not be significantly disadvantaged in its role as a "preferred supplier" as defined in the Framework Agreement.

- 8.2 Upon request by the Distributor, Thistle BV shall provide a schedule of locations of Global Points of Presence within the Territory.

9 Connection of Equipment and Systems

- 9.1 The Distributor shall ensure that the Distributor's Network conforms at the Global Point of Presence to the interface specifications notified by Thistle BV subject to Applicable Law.
- 9.2 The Distributor shall not connect directly or indirectly to the Global Platform or to any Remote Network, and shall not permit any Customer so to connect, any equipment or Telecommunication System which damages or is likely to cause any damage to the Global Platform or to such Remote Network.
- 9.3 Thistle BV shall not connect directly or indirectly to the Distributor's Network any equipment or Telecommunication System which damages or is likely to cause any damage to the Distributor's Network.
- 9.4 The Distributor shall comply with, and shall require and ensure that its Customers comply with, such reasonable security procedures relating to the use of the Global Communications Services as Thistle BV may notify to the Distributor from time to time.
- 9.5 Thistle BV shall comply with such reasonable security procedures relating to the use of the Distributor's Network as the Distributor may notify to Thistle BV from time to time.

10 Equipment

- 10.1 The provisions of this Clause 10 shall apply insofar as Thistle BV is obliged in accordance with the applicable Service Description to provide any Equipment at a Site, outside the Territory.

- 10.2 Thistle BV shall supply the Distributor in reasonable time with the relevant information to enable the Distributor to co-ordinate with its Customer, where necessary, so that the Customer can prepare the Site for the delivery and installation of the Equipment. The Distributor shall ensure in its Customer contracts or otherwise, that the Customer provides reasonable assistance and facilities to Thistle BV (or supplier appointed by Thistle BV) in the installation of the Equipment and shall ensure that the Customer subsequently provides or procures suitable accommodation, assistance, facilities, and environmental conditions for the housing of the Equipment and all necessary electrical and other installations and fittings. The Distributor shall ensure that the Customer effects such preparation and provision at no cost to Thistle BV before the Equipment is installed at a Site.
- 10.3 The Distributor shall ensure, in its Customer contracts or otherwise, that the Customer shall:
- 10.3.1 house, keep and use the Equipment in accordance with such reasonable written instructions as may be notified by Thistle BV from time to time;
 - 10.3.2 unless otherwise agreed, keep the Equipment at the Site and not to add to, modify, or in any way interfere with, the Equipment;
 - 10.3.3 not cause the Equipment to be repaired or serviced except as approved by Thistle BV, its agents or subcontractors;
 - 10.3.4 provide Thistle BV with reasonable access to the Equipment and in any event such access as is specified in the applicable Service Description.
- 10.4 Thistle BV undertakes directly or indirectly to install the Equipment in a timely and proper manner.
- 10.5 No title to the Equipment shall pass to any person unless otherwise expressly agreed.
- 10.6 The Distributor shall ensure, in its Customer contracts or otherwise, that the Customer shall be responsible for the Equipment while it is at a Site and shall be liable to Thistle BV for any loss or damage to the Equipment

(except in so far as any such loss or damage is attributable to the negligent or wilful act or omission of Thistle BV, its agents, subcontractors or employees).

11 Access to Sites

11.1 The Distributor shall ensure that Thistle BV, its employees, agents and subcontractors have such access to any Site as may be reasonably necessary for the performance by Thistle BV of its obligations under this Agreement and in any event such access as may be specified in the applicable Service Description.

11.2 The Distributor shall use its reasonable endeavours to ensure that no employee of Thistle BV, its agents or subcontractors when requesting access to any Site pursuant to Clause 11.1 is refused admittance to such Site or required to leave such Site except for good and substantial cause. In the event of any such refusal or requirement without good cause:

11.2.1 Thistle BV shall be excused from any failure to provide Global Communications Services in accordance with the applicable service levels to the extent that such failure results from such refusal or requirement; and

11.2.2 the Distributor shall reimburse Thistle BV in respect of any additional costs and expenses which it may incur as a result of such refusal or requirement.

12 Regulatory Approvals

12.1 Where there is a requirement under the law or regulation of any jurisdiction to obtain (a) any consent, licence or authorisation for the provision of Global Communications Services and/or (b) approval for the use of any telecommunication apparatus by any person providing or making use of the Global Communications Services, then as between the Parties hereto one or other of them shall be obliged to obtain or to procure the obtaining by its contractors or agents of such consent, licence or authorisation in accordance with the following provisions:

- 12.1.1 in relation to the establishment of the Global Platform or the supply of Global Communications Services to the Distributor, the obligation shall be that of Thistle BV; and
- 12.1.2 in relation to the supply of Global Communications Services to the Customer, the obligation shall be that of the Distributor. Thistle BV has responsibility to understand and advise on the regulatory environment in all countries. Where possible Thistle BV will ensure the Distributor can sell through regulatory arrangements effected by Thistle BV, but where there is a requirement for Distributor to have its own license, the Distributor shall do so at its own expense, but with assistance from Thistle BV or its agents
- 12.2 Where the obligation to obtain any such consent, licence or authorisation is imposed on either Party or both Parties under any law or regulation in any jurisdiction, then the obligation shall be that of that Party or as the case may be of both Parties, notwithstanding any contrary provision of Clause 12.1.
- 12.3 Each Party shall provide reasonable and appropriate assistance to the other in the performance by the other Party of its obligations under this Clause. Expenses incurred in rendering assistance requested by the other Party shall be chargeable back to the other Party following notice in advance of the provision of assistance to the requesting Party.

PART VI: FINANCIAL MATTERS

13 Charges

- 13.1 In consideration of the provision of the Global Communications Services, the Distributor shall pay to Thistle BV the Charges calculated in accordance with and subject to adjustment as provided for in Schedule 8.
- 13.2 Where the Distributor requests a quotation for the provision of non-standard Global Communications Services pursuant to the Customized Products and Services Section of Schedule 7, Thistle BV shall provide such quote in US Dollars. Thistle BV shall not be obliged to quote in respect of a service period exceeding 36 months. Beyond 36 months will be subject to the special bid procedure.

- 13.3 All Charges are exclusive of any applicable value added tax, sales tax or other indirect taxes which shall be charged in accordance with applicable law and payable by the Distributor, except to the extent that the Distributor provides Thistle BV a valid tax exemption certificate. Income taxes shall not be chargeable to the Distributor.
- 13.4 The price and other terms and conditions on which the Global Communications Services are supplied to its Customers shall be determined by the Distributor in its sole discretion.

14 Billing and Payment

- 14.1 All Charges shall be payable in U.S. dollars, unless otherwise agreed.
- 14.2 The Charges shall be due monthly in arrears.
- 14.3 Thistle BV shall present an invoice for Charges and associated Invoice Detail (usage data) as soon as reasonably practicable but typically within 30-60 days after the end of the month in which Global Communication Services are provided. The sum stated in each invoice shall be payable within 30 days of presentation.
- 14.4 Neither invoices nor Invoice Detail may be presented later than twelve (12) months from the end of the month in which services were provided.
- 14.5 Each invoice presented by Thistle BV shall be in an agreed format and shall provide such information as is reasonably necessary for the verification of Charges and as set out in Schedule 8.
- 14.6 In respect of any sum payable under this Agreement, in the event of late payment which is not related to or caused by Thistle BV's late invoicing described in Clause 14.4, interest shall be chargeable from the date on which such sum was due and payable until the date of payment. Such interest shall be calculated from day to day at a rate equivalent to the lesser of the permissible lawful rate in the Territory and two per cent above LIBOR, and shall accrue both before and after judgement. Interest shall not be charged unless Thistle BV has delivered at least two written reminders to the Distributor.

PART VII: FURTHER PROVISIONS

15 Liability of the Parties

- 15.1 Thistle BV and the Distributor shall indemnify and hold each other harmless against all liability, loss, damage and expense (including but not limited to reasonable legal fees and legal costs) resulting from injury to or death of any person (including injury to or death of their respective subcontractors or employees) to the extent that such liability, loss, damage or expense was caused by any negligent or wilful act or omission by the Party from whom indemnity is sought, its agents or employees.
- 15.2 Thistle BV and the Distributor shall indemnify and hold each other harmless against all liability, loss, damage and expense (including but not limited to reasonable legal fees and legal costs) resulting from loss of or damage to real or personal property (including damage to their property) to the extent that such liability, loss, damage or expense was caused by any negligent or wilful act or omission by the Party from whom indemnity is sought, its agents or employees.
- 15.3 THE AGGREGATE LIABILITY OF EACH PARTY TO THE OTHER FOR ALL CLAIMS MADE DURING ANY YEAR UNDER THIS AGREEMENT FOR DAMAGES NOT OTHERWISE EXCLUDED HEREUNDER SHALL BE LIMITED TO TEN MILLION U.S. DOLLARS IN RESPECT OF ANY OR ALL CLAIMS MADE IN THAT YEAR.
- 15.4 WHERE IN RELATION TO ANY SERVICE THE APPLICABLE SERVICE DESCRIPTION PROVIDES FOR A SYSTEM OF REBATES OR CREDITS AGAINST CHARGES IN RESPECT OF FAILURE TO PROVIDE SUCH SERVICE IN ACCORDANCE WITH THE APPLICABLE SERVICE LEVELS, SUCH REBATES OR CREDITS SHALL BE THE EXCLUSIVE FINANCIAL REMEDY OF THE DISTRIBUTOR IN RESPECT OF SUCH FAILURE. FOR THE AVOIDANCE OF DOUBT SUCH REBATES OR CREDITS SHALL BE DEEMED TO BE A LIABILITY OF Thistle BV FOR THE PURPOSES OF THIS AGREEMENT.

- 15.5 Except with respect to such loss or damage as is referred to in Clauses 15.1 and 15.2, the Distributor shall ensure that to the extent permitted by applicable law its contracts with Customers exclude all liability of Thistle BV to the Customer and preclude the Customer from making any claim against Thistle BV, and in the event that any such claim is made by a Customer howsoever arising from or related to the provision of Global Communications Services under this Agreement the Distributor shall indemnify Thistle BV in respect of such claim.
- 15.6 IN ANY EVENT, IN NO CIRCUMSTANCES INCLUDING THE NEGLIGENT ACT OR OMISSION OF ITSELF, ITS SERVANTS OR AGENTS SHALL EITHER PARTY BE LIABLE TO THE OTHER IN CONTRACT, TORT OR OTHERWISE FOR ANY LOSS OF REVENUE, BUSINESS, CONTRACTS, ANTICIPATED SAVINGS OR PROFITS OR ANY LOSS OR DESTRUCTION OF DATA OR FOR ANY INDIRECT OR CONSEQUENTIAL LOSS WHATSOEVER.
- 15.7 The provisions of this Clause 15 shall continue to apply notwithstanding the termination or expiry of this Agreement for any reason whatsoever.

16 Confidentiality and Data Protection

- 16.1 Thistle BV shall not disclose any Message conveyed by means of the Global Platform or the existence of any such Message except in relation to any information requested or required to be disclosed by any court or governmental or regulatory authority entitled by law to require the same.
- 16.2 The Parties shall and shall procure that their respective Affiliates shall keep confidential all information disclosed under this Agreement and all Distributor Customer information, whether that information is:
- 16.2.1 generated or commissioned by Thistle BV; or
- 16.2.2 related to the business affairs of any of the Parties or of their Affiliates or Distributor's Customers.
- 16.3 The restrictions in Clause 16.2 shall not apply to:

- 16.3.1 information which enters the public domain otherwise than by breach of this Agreement;
- 16.3.2 information already in the possession of a Party or any of its Affiliates before disclosure to it under this Agreement and which was not acquired directly or indirectly from another Party or one of its Affiliates;
- 16.3.3 information lawfully obtained from a third party who is free to disclose such information;
- 16.3.4 information developed or created by a Party or any of its Affiliates independently of this Agreement;
- 16.3.5 disclosures of information solely as requested or required to be disclosed by any court or governmental or regulatory authority entitled by law to require the same PROVIDED ALWAYS THAT, prior to such disclosure if practicable, the disclosing Party shall notify in writing the owner of such information (where the identity of such owner can be determined) that such request has been made

PROVIDED THAT the Party seeking to rely on an exemption contained in this Clause 16.3 shall provide such evidence as the other Party may reasonably require to prove that the information sought to be exempted falls within the relevant category.

- 16.4 The restrictions contained in Clause 16.2 shall last for a period of five years from the relevant disclosure, without prejudice to any continuing restriction which may apply to the relevant information under any other agreement binding on the Parties, and shall survive termination of this Agreement for whatever reason.
- 16.5 Thistle BV shall take such steps as are reasonably practicable to maintain the security of communications and Distributor's Customer information conveyed by means of the Global Platform. Both Parties shall comply with the Data Segregation Agreement.

17 Term

The term of this Agreement shall commence as soon as the conditions contained in clauses 1.10 and 1.11. are satisfied and shall continue in force until terminated in accordance with clause 18.

18 Termination

18.1 This Agreement shall be terminable upon notice in writing by either Party on the other taking immediate effect if:

18.1.1 an event of Bankruptcy shall have occurred with respect to the other Party;

18.1.2 Thistle BV is dissolved or terminated or AT&T ceases to be a shareholder of Thistle BV, for any of the reasons stated in and pursuant to the terms of the Framework Agreement (including, but not limited to, Performance Shortfall, Bankruptcy, Change of Control or Event of Default.)

18.2 Subject to the provisions of clause 19 below, Thistle BV shall without prejudice to its other rights have the right to suspend the provision of any Service in the event that it is entitled to terminate this Agreement pursuant to Clause 18.1.

18.3 Neither Party shall have the right to terminate this Agreement on the basis of the other Party's material breach of this Agreement, unless such breach constitutes an Event of Default, under the terms of the Framework Agreement, and also results in either the dissolution or termination of Thistle BV or AT&T's ceasing to be a shareholder of Thistle BV, under the terms of the Framework Agreement. In any event, a material breach by the other Party shall be subject to the dispute resolution procedures (including executive escalation and, if applicable, arbitration) specified in the Framework Agreement.

19 Consequences of Termination

19.1 In the event of termination of this Agreement for any reason other than under Clause 18.1.1, Thistle BV shall continue to provide Global Communications Services to the Distributor for such period (not exceeding three years from the date of termination) and to such extent as the Distributor may be under a contractual obligation to any Customer to provide Global Communications Services.

19.2 In the event of termination for whatever reason:

19.2.1 outstanding unpaid invoices rendered by Thistle BV in respect of the Global Communications Services shall remain payable and invoices in respect of Global Communication Services ordered before termination but for which an invoice has not been submitted shall be payable, by the Distributor in accordance with the terms of this Agreement;

19.2.2 the Distributor shall cease to promote, market or advertise the Global Communications Services or to make any use of the Thistle BV Trade Marks other than to complete performance under an existing Customer contract;

19.2.3 the Distributor shall at its own expense join with Thistle BV in procuring the cancellation of any registered user agreements entered into pursuant to clause 7.6;

19.2.4 the provisions of clauses 15, 16 and 21 shall continue in force in accordance with their respective terms;

19.2.5 Neither party shall have a claim against the other for compensation for loss of distribution rights, loss of goodwill or any similar loss;

19.2.6 subject as otherwise provided herein and to any rights or obligations which have accrued prior to termination, neither party shall have any further obligation to the other under this Agreement; and

19.2.7 The Distributor's Minimum Revenue Commitment established for a yearly period in accordance with the provisions of Schedule 11, shall be prorated to the date of termination.

20 Force Majeure

- 20.1 Neither Party shall be liable for any breach of this Agreement due to any cause beyond its reasonable control ("Force Majeure") including without limitation Act of God, insurrection or civil disorder, war or military operations, national or local emergency, acts or omissions of government, highway authority or other competent authority, compliance with any statutory obligation or executive order, industrial disputes of any kind (whether or not involving either Party's employees), fire, lightning, explosion, flood, subsidence, weather of exceptional severity, acts or omissions of persons for whom neither Party is responsible including without limitation public telecommunication operators in their capacity as such Provided That a Party shall only be excused from liability under this Clause 20.1 to the extent that it has used all due diligence to remove or avoid the effect of Force Majeure.
- 20.2 Thistle BV or the Distributor shall promptly notify the other of the occurrence of any Force Majeure event which has caused or is likely to cause it to fail to perform its obligations under this Agreement.

21 Choice of Law and Jurisdiction

- 21.1 This Agreement shall be governed by and construed and interpreted in accordance with Laws of the State of New York, excluding the choice of laws rules.
- 21.2 The Parties shall follow the Dispute Resolution provisions specified in the Framework Agreement in connection with all claims arising out of or relating to this Agreement.

22 Relationship between Thistle BV and Distributor

- 22.1 The Distributor agrees that it is an independent contractor fully responsible for its acts or defaults (including those of its employees or agents). The Distributor agrees that in all correspondence and other dealings relating directly or indirectly to the Global Communications Services it shall clearly indicate that it is acting as a distributor.

22.2 Except where otherwise expressly provided for in this Agreement or mutually agreed, the Distributor has no authority or power to bind or contract or negotiate in the name of or to incur any debt or other obligation on behalf of or create any liability against Thistle BV in any way or for any purpose. The Distributor shall transact all business pursuant to this Agreement on its own behalf and for its own account.

23 Intellectual Property Rights and Indemnity

23.1 All matters dealing with Intellectual Property Rights arising under this Agreement shall be dealt with in accordance with the terms of the IPR Agreement.

23.2 Thistle BV will indemnify and hold harmless the Distributor against any damages (including reasonable costs) that may be awarded or agreed to be paid to any third party in respect of any claim or action that the receipt from Thistle BV, of Global Communications Services or material relating to the marketing, advertising, sale or distribution of the Global Communications Services by the Distributor infringes the patent, copyright, registered design, unregistered design rights, semi-conductor topography rights, service mark or trade mark rights of said third party ("Intellectual Property Infringement") Provided That the Distributor:

23.2.1 gives notice to Thistle BV of any Intellectual Property Infringements (or any allegations thereof) forthwith upon becoming aware of the same;

23.2.2 gives Thistle BV the sole conduct of the defence to any claim or action in respect of an Intellectual Property Infringement (or any allegation thereof) and does not at any time admit liability or otherwise attempt to settle or compromise the said claim or action except upon the express instructions of Thistle BV in writing; and

23.2.3 acts in accordance with the reasonable instructions of Thistle BV and gives to Thistle BV such assistance as it shall reasonably require in respect of the conduct of the said defence including, without prejudice to the generality of the foregoing, the filing of all pleadings and other court process and the provision of all relevant documents.

- 23.3 Thistle BV shall reimburse the Distributor its reasonable costs incurred in complying with the provisions of Clause 23.2.
- 23.4 Thistle BV shall have no liability to the Distributor in respect of an Intellectual Property Infringement if the same results from any breach of the Distributor's obligations under this Agreement.
- 23.5 In the event of an Intellectual Property Infringement, Thistle BV shall be entitled at its own expense and option either to:
- 23.5.1 procure the right for the Distributor to continue using the Global Communications Services; or
 - 23.5.2 make such alterations, modifications or adjustments to the Global Communications Services that they become non-infringing without incurring a material diminution in performance or function; or
 - 23.5.3 replace the Global Communications Services with non-infringing substitutes provided that such substitutes do not entail a material diminution in performance or function.
- 23.6 If Thistle BV in its reasonable judgement is not able to exercise any of the options set out at Clauses 23.5.1, 23.5.2 or 23.5.3 above within 90 days of the date it received notice of the Intellectual Property Infringement, then either Party, without prejudice to any other rights or remedies it may have hereunder or at law, shall be entitled to terminate the affected Global Communications Service by 7 days' notice upon the other Party.
- 23.7 Thistle BV shall have no liability to the Distributor in respect of an Intellectual Property Infringement if the same results from:
- 23.7.1 work carried out by Thistle BV, its agents or employees in accordance with directions or specifications given by the Distributor or its Customer; or
 - 23.7.2 the direct or indirect connection of the Distributor's Network or of any equipment or apparatus other than that referred to in this Agreement to the Global Platform or to a Remote Network.

The Distributor shall indemnify Thistle BV in respect of any such Intellectual Property Infringement in the same terms as Clauses 23.2, 23.3, 23.4 and 23.7.1 mutatis mutandis.

24 Invalidity

- 24.1 If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of this Agreement and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect. The Parties hereby agree to attempt to substitute for any invalid or unenforceable provision a valid or enforceable provision which achieves to the greatest extent possible the economic, legal and commercial objectives of the invalid or unenforceable provision.

25 Assignment

- 25.1 Subject to the provisions of this Clause 25, neither Party may assign, novate or transfer this Agreement without the consent of the other. Any purported assignment of this Agreement not in accordance with this Clause 25 shall be void.
- 25.2 Subject to the prior consent in writing of Thistle BV the Distributor may appoint one or more sub-distributors and may supply any Global Communications Services provided by Thistle BV to such sub-distributor for sale to Customers in the Territory. Upon termination of this Agreement for any reason, the Distributor shall use its best endeavours to procure the novation of all existing sub-distributor agreements to Thistle BV as quickly as practicable.
- 25.3 Thistle BV shall be entitled to perform any of the obligations undertaken by it and to exercise any of the rights granted to it under this Agreement through any other company which at the relevant time is its Affiliate and any act or omission of any such company shall for the purposes of this Agreement be deemed to be the act or omission of Thistle BV.

- 25.4 Thistle BV may assign this Agreement and the rights and obligations thereunder to any Affiliate of Thistle BV, and Distributor may assign or sub-contract its rights and obligations to a Distributor Affiliate.
- 25.5 This Agreement is personal to the Distributor, and, except as stated herein, may not without the written consent of Thistle BV, be assigned, mortgaged, charged (otherwise than by floating charge) or disposed of or sub-contracted or otherwise delegated.
- 25.6 The Distributor shall indemnify and hold Thistle BV harmless against all liability, loss, damage and expense (including but not limited to reasonable legal fees and legal costs) to the extent that such liability, loss, damage or expense was caused by the exercise of the Distributor's rights under this clause 25.

26 Notices

- 26.1 Any and all notices pursuant to this Agreement shall be in writing and signed by (or by some person duly authorised by) the Party giving it and may be served by leaving it at, or sending it by facsimile, express air mail service, prepaid recorded delivery or registered post to, the address of the relevant recipient Party or Parties set out in Clause 26.2 (or as otherwise notified from time to time hereunder). Any notice so served by facsimile or post shall be deemed to have been received:

26.1.1 in the case of express air mail service, on the first working day following the day of despatch and, in the case of facsimile, receipt of a signal by the sender's machine that the message has been received; and

26.1.2 in the case of recorded delivery or registered post, five working days from the date of posting.

- 26.2 The addresses of the Parties for the purpose of Clause 26.1 are as follows:

The Distributor:

Thistle BV/ AT&T Distribution Agreement final version

Chief Counsel Business Services
AT&T Corporation
295 North Maple Avenue
Basking Ridge
New Jersey 07920

Telephone: 908 221 3586
Facsimile: 908 221 8287
For the attention of: Daniel Stark

Copy to:

Executive Vice President, Global Services
AT&T Corporation
55 Corporate Drive
Bridgewater
New Jersey 08807

Telephone: 908 658 7900
Facsimile: 908 658 2497
For the attention of: Michael G Keith

DETAILS NEEDED FOR Thistle BV (to come on or prior to Closing)

Thistle BV:

[]

For the attention of: []

Copy to

[]

27 General

- 27.1 This Agreement (including its Schedules) and the Framework Agreement represents the entire understanding between the parties in relation to the subject-matter hereof and supersede all other agreements and representations made by either Party, whether oral or written. In the event of inconsistency between terms and conditions of, this Agreement and the Framework Agreement, the provisions of article 3.1 of the Framework Agreement shall apply.
- 27.2 Failure by either Party to enforce any of its rights hereunder shall not be taken as or deemed to be a waiver of such right.
- 27.3 This Agreement may only be modified if such modification is in writing and signed by a duly authorised representative of each Party. Changes to any of the Schedules to this Agreement may be handled by way of the Change Control Procedure set out in Schedule 11.
- 27.4 The Parties shall at their own expense execute all such documents and do such acts and things as may reasonably be required for the purpose of giving full effect to this Agreement.

IN WITNESS whereof the parties or their authorised representatives have set their hands the day and year first above written

SIGNED for and on behalf of)
AT&T Corp.)

By: _____

Name: _____

Title: _____

Date: _____

SIGNED for and on behalf of)
Thistle BV)

By: _____

Name: _____

Title: _____

Date: _____